



# Contracts

Lesson code: CR9H-97N9-BT21

INTERMEDIATE

## 1 Contract vocabulary

Complete the text with the words below.

appendix      binding      fulfil      parties      sue      terms

A **contract** is a legal agreement between two or more \_\_\_\_\_<sup>1</sup> (people or groups). Every contract contains different \_\_\_\_\_<sup>2</sup> (conditions) which state what each side must do. If the contract is in a written form, and somebody signs it, then usually that person must meet or \_\_\_\_\_<sup>3</sup> all the conditions, even if he or she has not read the full agreement. We can also say that the conditions are now \_\_\_\_\_<sup>4</sup>.

If someone does not fulfil certain conditions, for example if a person refuses to pay after receiving a service, the other party may decide to \_\_\_\_\_<sup>5</sup> in a court of law.

Sometimes, the parties may want to include some extra conditions in a contract after it has been signed. They can do this by adding an \_\_\_\_\_<sup>6</sup>.

## 2 Types of contract

Match the types of contract to their definitions.

- |                           |   |
|---------------------------|---|
| 1. a lease                | a contract between an employer and employee   |
| 2. an employment contract | a contract between an insurance company and a person who pays for the insurance   |
| 3. a contract of sale     | a contract between a seller (or vendor) and a buyer (or purchaser)  |
| 4. an insurance policy    | a contract which allows one party (the tenant) to use the land or property of the other party (the landlord) for a specified period of time |
| 5. a software license     | a contract which allows someone to use a computer programme   |
| 6. a credit agreement     | a legal contract in which a bank agrees to loan a customer a certain amount of money for a specified amount of time                         |

Which types of contract do you or your company sign?

## 3 Collocations with 'contract'



Complete the phrases below with the following verbs.

**breach**      **complete**      **draw up**      **extend**      **renew**      **sign**      **terminate**

1. sign a contract ⇒ to put your signature on a contract to show that you agree to it
2. \_\_\_\_\_ a contract ⇒ to prepare/write a contract
3. \_\_\_\_\_ a contract ⇒ to break one or more of the terms of the contract
4. \_\_\_\_\_ a contract ⇒ to end a contract before the official end date
5. \_\_\_\_\_ a contract ⇒ to fulfil all the terms of the contract
6. \_\_\_\_\_ a contract ⇒ to make a contract continue for a longer time
7. \_\_\_\_\_ a contract ⇒ to sign a new contract (when the previous contract has finished)

Now complete the sentences below:

1. Our lease expires at the end of the year, but we were able to \_\_\_\_\_ the contract by another year.
2. We cannot sell the goods to a third party. If we do this, we will \_\_\_\_\_ the contract.
3. We were very happy with the service so after our contract ended, we decided to \_\_\_\_\_ it.
4. The construction firm couldn't \_\_\_\_\_ the contract because of the bad weather.
5. We can \_\_\_\_\_ the contract if we notify the other party one month in advance.
6. In order to make everything legal, the lawyers decided to \_\_\_\_\_ a contract.

## 4 Contract language

In English, there are a number of very formal, old-fashioned words which are used only in legal contracts and formal documents. Look at the sentences and phrases below. What do you think the underlined words mean? In pairs, match them to their meaning.

1. The company named above (hereinafter referred to as "the contractor") ...
2. the schedule hereto attached
3. payment of the obligations herein
4. We do not warrant that the website will meet all your needs.
5. By signing this contract, you hereby accept the terms and conditions.

- a. as a result
- b. guarantee
- c. in this document
- d. later in this document
- e. to this document

**Do contracts in your country use specialised legal language?**



## 5 Talking point

**Discuss any of the questions below.**

1. How important are contracts in your work?
2. What typical actions are required and prohibited in contracts with your clients or suppliers?
3. How can you terminate a contract with your clients or suppliers?
4. Do your clients or suppliers ever breach your contracts? What happens then?

